

Electronic Report to the Board

Report of the Secretariat's Grant Approvals Committee

GF/B45/ER05

Board Decision

Purpose of the paper: This document proposes the decision points as follows:

1. GF/B45/EDP05: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation¹

Document Classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members.

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¹ The Secretariat recommends the approval of funding from the 2020-2022 Allocation for 7 grants: Benin Malaria, Chad Malaria, Pakistan TB, Russian Federation HIV and Sudan Malaria, up to an amount of US\$247,173,181 and EUR 99,301,452 of country allocation funding, including matching funds of US\$6,000,000 for Pakistan TB

Decision

Decision Point: GF/B45/EDP05: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation

The Board:

1. ***Approves the funding recommended for each country disease component, and its constituent grants, as listed in Table 1 of GF/B45/ER05 ("Table 1");***
2. ***Acknowledges each country disease component's constituent grants will be implemented by the proposed Principal Recipients listed in Table 1, or any other Principal Recipient(s) deemed appropriate by the Secretariat in accordance with Global Fund policies;***
3. ***Affirms the funding approved under this decision (a) is subject to the availability of funding, and (b) shall be committed in annual tranches; and***
4. ***Delegates to the Secretariat authority to redistribute the overall upper-ceiling of funding available for each country disease component among its constituent grants, provided that the Technical Review Panel (the "TRP") validates any redistribution that constitutes a material change from the program and funding request initially reviewed and recommended by the TRP.***

This decision does not have material budgetary implications for operating expenses.

Executive Summary

Context and Input Received

Secretariat's Recommendation on Funding from the 2020-2022 Allocation

The Secretariat recommends the approval of funding from the 2020-2022 Allocation for 7 grants: Benin Malaria, Chad Malaria, Pakistan TB, Russian Federation HIV and Sudan Malaria, up to an amount of US\$247,173,181 and EUR 99,301,452 of country allocation funding, including matching funds of US\$6,000,000 for Pakistan TB.

The grants in Table 1 have been found to be disbursement-ready by the Global Fund Secretariat following a thorough review process and in consultation with Partners.

The funding requests for each country component were reviewed by the Technical Review Panel (TRP) and determined to be strategically focused and technically sound. The TRP, upon its review and when relevant, highlighted issues for the applicant to clarify or address during grant-making and/or grant implementation.

During grant-making, the applicant refined the grant documents, addressed relevant issues raised by the TRP and Grant Approvals Committee (GAC) and sought efficiencies where possible. For each grant, the GAC reviewed: the strategic focus of the program; operational issues, risks and implementation challenges; domestic contributions; and the final grant documents for disbursement-readiness. The GAC also confirmed that the applicant addressed issues requested for clarification by the TRP or the Secretariat to its satisfaction.

A list of documents per disease component to substantiate the Board decision is provided below.

- Funding request;
- Funding request Review and Recommendation Form;
- Grant-making Final Review and Sign-off Form;
- Grant Confirmation; and
- TRP Clarification Form (applicable only if the TRP requested clarifications).

The GAC has reviewed the materials associated with the grants in Table 1 and has deemed the grants disbursement-ready. All relevant documents containing the Secretariat's reasons for its recommendations to the Board have been made available on the Governance Extranet and are accessible through [this link](#).

Input Sought

The Board is requested to review the request and agree on a 'no objection' basis, the decision point GF/B45/EDP05: Decision on the Secretariat's Recommendation on Funding from the 2020-2022 Allocation.

Table 1: Secretariat's Recommendation on Funding from the 2020-2022 Allocation

Please note that each country name is [linked](#) to the extranet site where supporting documents are available for review.

N	Applicant	Disease Component	Grant Name ²	Grant End Date	Currency	Total Program Budget ³	Catalytic Funds in Grant	Domestic Commitment ⁴	Unfunded Quality Demand
1	Benin	Malaria	BEN-M-PNLP	31/12/2023	EUR	39,899,213	-	23,327,438	4,148,790
2	Chad	Malaria	TCD-M-UNDP	30/06/2024	EUR	51,671,962	-	4,597,668	21,321,490
3			TCD-M-MOH	30/06/2024	EUR	7,730,277	-		
4	Pakistan	TB	PAK-T-MC	31/12/2023	US\$	30,526,365	6,000,000	125,533,154	300,903,875
5			PAK-T-NTP	31/12/2023	US\$	117,522,380	-		
6	Russian Federation	HIV	RUS-H-HAF	30/06/2024	US\$	10,014,430	-	As a non-CCM applicant, the Russian Federation is not subject to co-financing requirements	2,665,188
7	Sudan	Malaria	SDN-M-MOH	31/12/2023	US\$	89,110,006	-	32,062,089	129,853,882

² The Grant names are subject to change based on the ISO code.

³ The Program budget for the Grant may be higher than the Program budget being recommended to the Board for approval where COVID-19 Response Mechanism funding has been integrated into the Grant.

⁴ Domestic commitments pertain to the disease programs and exclude other specific commitments for RSSH, unless otherwise specified. Commitments for disease specific programs and RSSH are subject to local currency value fluctuation against US dollar and Euro currencies. Please note that the domestic commitments included in this report are recorded as of the date of the GAC meeting and may be updated during implementation for countries that have been granted policy flexibilities.

Summary of the Deliberations of the Secretariat's Grant Approvals Committee (GAC) on Funding Recommendations

Unless otherwise specified below, each applicant has met the co-financing requirements for the 2017-2019 allocation period and has made sufficient co-financing commitments for the 2020-2022 allocation period as set forth in the Sustainability, Transition and Co-Financing (STC) Policy. The Secretariat will monitor the finalization and realization of commitments over the implementation period. Domestic commitments for disease-specific and health-related spending are subject to local currency value fluctuations against US dollars and Euro currencies.

Unless otherwise specified below, following GAC recommendation, the Grant Confirmations relating to these grants have been transmitted to the Principal Recipients to commence the grant signature process contingent to Board approval. These grants will be countersigned by the Global Fund only if Board approval is obtained and will not come into effect until full execution. Execution will be subject to any further revisions recommended by the Board.

For the following grants, the GAC provided additional guidance or made specific observations to inform the investment decision:

Benin Malaria: Programme National de Lutte contre le Paludisme (BEN-M-PNLP)

1.1 Background and context

In 2019, WHO estimated 4.8 million malaria cases and 7,037 malaria-related deaths in Benin. The malaria burden remains high throughout the country with the entire population at high risk of contracting the disease. After several years of relative stability, malaria incidence increased from 18.8 percent in 2018 to 23 percent in 2019, while mortality per 100,000 population increased from 19.5 to 29.5 over the same period. Recent analyses suggest that factors contributing to the increased malaria incidence and mortality include improvements in surveillance and data quality as well as environmental and entomological factors, such as changing climate, increased insecticide resistance, sub-optimal coverage of interventions, and urbanization.

The goals of the Benin malaria program include to:

- Reduce the proportion of children aged six to 59 months with malaria infection from 39 percent in 2017 to 19.5 percent in 2023;
- Decrease in-patient malaria deaths per 100,000 population from 29.53 in 2019 to 15.35 in 2023;
- Increase the proportion of the population that slept under an insecticide-treated net the previous night from 71.1 percent in 2017 to 90 percent in 2023; and
- Increase the proportion of pregnant women who slept under an insecticide-treated net the previous night from 79.3 percent in 2017 to 80 percent in 2023.

1.2 Risks and mitigation measures

Community Health Strategy. In May 2020, Benin adopted a new national community health strategy (the "Community Health Strategy") to align with the country's vision of improved access to community-level health prevention and promotion, and enhanced quality of care. It is planned to come into effect on 1 January 2022 and will be supported by domestic resources and partners. Notable changes from the previous approach include: (i) the introduction of a category of "Qualified" Community Health Workers, which is additional to Community Relays, and the definition of clear roles and responsibilities for the two categories; and (ii) increased

renumeration for the Community Relays to account for their expanded and polyvalent scope of work covering prevention and health promotion activities across several domains.

The Community Health Strategy aims to have 12,000 Community Relays in place by March 2022 who will focus on the provision of disease prevention and health promotion activities related to multiple diseases including COVID-19, HIV and TB. Their role in relation to malaria will include the distribution of insecticide-treated nets (ITNs) during mass campaigns, providing seasonal malaria chemoprevention, and mobilizing women to attend antenatal consultations where they can receive intermittent treatment during pregnancy and the routine provision of an ITN. The Community Relays will also be responsible for identifying and referring cases of malaria.

In addition to the Community Relays that focus on prevention and health promotion activities, the current plans are to have 962 Qualified Community Health Workers, who will receive the malaria referrals, becoming the only community-level health workers authorized to diagnose and treat malaria cases. The Community Health Strategy will be piloted in six communes from July to December 2021 with support from partners, with UNICEF in the lead. The National Council for the Fight against HIV/AIDS, Tuberculosis, Malaria, Hepatitis, STIs and Epidemics will undertake a rigorous evaluation of the pilot phase of the Community Health Strategy in collaboration with technical and financial partners with the aim of understanding its impact on various health outcomes. There is scope to ensure further continuous monitoring and evaluation during the development of the RSSH grant which has a proposed grant start date of July 2022.

COVID-19. There were no major disruptions to malaria grant-making and the 2020 ITN campaign was able to take place in adapted form, with Benin as the first country to implement an ITN campaign adapted to mitigate COVID-19 transmission risks, the success of which was critical to encouraging other countries to follow suit. Malaria service delivery was also observed to have limited disruption, with Benin effectively implementing a roadmap to integrate COVID-19 response into health facility activities. In 2020, to mitigate the impact of the pandemic on the three diseases and support health and community systems, the Global Fund approved EUR 5,665,651 through the Global Fund COVID-19 Response Mechanism to finance epidemic surveillance, treatment drugs, personal protective equipment, disinfection equipment and nutritional kits.

1.3 GAC review and recommendation

- GAC Partners commended a clear proposal and appreciated the focus on domestic investment and accountability, particularly given Benin's challenging and complex political environment.
- The GAC and Partners emphasized the significant risks to program performance posed by the Community Health Strategy as outlined above. In particular, the GAC and Partners' concerns related to (i) the limitations of the revised role for Community Relays, and (ii) the increase to community health workers' salaries. The GAC and GAC Partners noted that the program had been initially conceived with the assumption that Community Relays would cover an extensive range of tasks, including the diagnosis and treatment of malaria cases, (thus significantly increasing access to care), rather than only carrying out prevention and promotional activities, as outlined under the Community Health Strategy. While the GAC and Partners lauded the increase in the salaries of the Community Relays, they were concerned that removing their ability to provide diagnosis and treatment of malaria would reduce access to malaria case management at the community level.

The GAC shared Partners' concerns, noting the significant work done to mitigate the risks to the malaria program associated with the Community Health Strategy. The Secretariat highlighted key mitigation actions planned to be undertaken, which include:

- A rigorous evaluation of the pilot phase of the Community Health Strategy to be conducted by the National Council for the Fight against HIV/AIDS, Tuberculosis, Malaria, Hepatitis, STIs and Epidemics,

in collaboration with technical and financial partners. The Grant Confirmation requires that preliminary results of the Community Health Strategy pilot phase evaluation be made available by March 2022 to enable the Secretariat to adjust and take any further mitigation measures or actions to ensure greatest impact under this grant.

- The Secretariat will also carefully monitor the overall roll out of the Community Health Strategy, specifically considering the interlinkages between the Community Relays and the critical role they will play in the 2023 mass ITN campaign.
- A further action is Secretariat monitoring to mitigate the risk of over-quantification of rapid diagnostic tests and artemisinin combined therapy in the instance that fewer malaria cases are diagnosed, either as a result of the new Community Health Strategy or due to changing epidemiological trends. The Secretariat shall monitor epidemiological and consumption trends in order to ensure that the orders are commensurate with needs, and to encourage the Principal Recipient to redistribute savings where they arise to maximize programmatic impact.
- GAC Partners committed to sustain efforts alongside the Secretariat to ensure that malaria case management activities do not decline because of the new national Community Health Strategy.
- The GAC and Partners also noted the opportunities afforded by the upcoming RSSH grant, to be negotiated at the end of 2021, including support to the implementation and monitoring of the Community Health Strategy. The Secretariat agreed with Partners and welcomed this support, emphasizing the need for all key stakeholders to be involved in supporting and monitoring progress of the national malaria response.

Chad Malaria: Ministry of Public Health and National Solidarity (TCD-M-MOH) and United Nations Development Programme (TCD-M-UNDP)

1.4 Background and context

Chad is experiencing a fragile political situation following the sudden passing of the President and is currently governed by a transitional military council. Malaria remains a significant public health challenge in Chad, where the malaria disease burden was 202 per 1,000 population in 2019, though this is a 25 percent reduction since 2000. In 2018, estimated malaria prevalence in the general population was 40 percent. While the country saw a reduction in malaria incidence per 1,000 population from 208 in 2010 to 186 in 2014, since 2015, malaria incidence and number of deaths have increased. In 2019, malaria incidence had risen to 202 per 1,000 population and accounted for an estimated 3,187,202 cases and 8,630 deaths. In 2019, among children under five, malaria was estimated to account for 44 percent of hospitalizations and 62 percent of all causes of death. In the general population in 2019, malaria was the leading cause of consultation (42 percent), hospitalization (39 percent), and death (34 percent) in health care facilities in Chad.

The objectives of the Chad malaria program include the following by the end of 2023:

- Reduce by 75 percent the mortality and morbidity attributable to malaria compared to the 2015 baseline, particularly among children under 5 and pregnant women;
- Protect at least 80 percent of the population at risk of malaria by effective prevention interventions;
- Treat 100 percent of diagnosed malaria cases in accordance with national guidelines in health facilities and at community level;
- Detect and contain 80 percent of malaria epidemics in at-risk districts;
- Provision of timely, comprehensive, and quality data on key malaria control indicators in 95 percent of facilities;
- Adoption positive behaviors to fight malaria in 80 percent of the population; and
- Strengthen the institutional capacities of the national program to ensure effective management of the fight against malaria at all levels.

1.5 Risks and mitigation measures

Co-financing. At the time of the GAC meeting, the Secretariat was still determining whether the co-financing commitments for the 2017-2019 allocation period were met. This determination will take place before Chad brings its remaining grants to the GAC, at the end of 2021, for recommendation to the Board. In addition, there are potential risks to materialization of co-financing requirements based on political, economic, social and security challenges. The Secretariat will ensure close monitoring of the 2020-2022 allocation period co-financing requirements with the CCM, Ministry of Public Health and National Solidarity, Ministry of Finance and Budget and Partners. The Grant Confirmation includes an additional requirement to help address this issue.

COVID-19. COVID-19 has had a negative impact on the performance and implementation of the malaria, HIV and TB programs in Chad due to travel restrictions, reallocation of health sector personnel to COVID-19, and hesitation of visiting health structures by the general population for fear of contracting COVID-19. The 2020 seasonal malaria chemoprevention and ITN campaigns were strategically modified by coupling household registration and distribution with actual distribution taking place through a door-to-door approach to minimize personal contacts. In 2020, to mitigate the impact of the pandemic on the three diseases and support health and community systems, the Global Fund approved EUR 6,954,850 through the Global Fund COVID-19 Response Mechanism to finance the continuation of essential services for the three diseases as well as ensure distribution of prevention kits to vulnerable and hard-to-reach groups, personal protective equipment for health personnel, access to screening through GeneXpert, and provision of diagnostic tests.

1.6 GAC review and recommendation

- GAC Partners acknowledged the quality of the program design and strong outcomes from grant-making, particularly in the challenging and evolving country context.
- GAC Partners acknowledged financial gaps as the result of external financing shifting away from the program toward COVID-19, increasing population and targets, and increasing costs for Principal Recipients. These changes led to programmatic gaps in the mass ITN campaign in 2023, and the consequential risk that Chad may not be able to reach universal coverage given that, out of 19 eligible provinces, currently eight are covered through the grant, two will be covered with government funding and nine remaining provinces are listed on the Register of Unfunded Quality Demand. GAC Partners reiterated their commitment to working with the government and the Secretariat to secure additional domestic and external financing to fill such gaps. Additionally, the Secretariat will work with the country to look for efficiencies and other means to address the gap throughout implementation.
- GAC Partners welcomed the extensive work done during grant-making in clarifying the roles and responsibilities between the two Principal Recipients who will implement the program. GAC Partners appreciated the outcome of the process to ensure there were no unidentified gaps or duplication in program implementation and acknowledged the requirements included in the Grant Confirmations to ensure ongoing coordination between the two Principal Recipients.
- GAC Partners expressed caution over the ambitious co-financing commitments and the substantial risks to the materialization of co-financing requirements based on political, economic, social and security challenges. GAC Partners recommended strong consideration of flexibilities and other measures where the country may be unable to meet commitments. The GAC recognized the need to monitor the situation closely with the CCM, the Ministry of Public Health and National Solidarity and the Ministry of Finance and Budget throughout the grant cycle and welcomed advocacy from Partners on this.

Pakistan TB: National Tuberculosis Program (PAK-T-NTP) and Mercy Corps (PAK-T-MC)

1.7 Background and context

TB remains a major public health issue in Pakistan, with a reported 328,300 TB cases in 2019. Pakistan is ranked fifth among 30 TB high-burden countries worldwide and accounts for 61 percent of the TB burden in the WHO Eastern Mediterranean Region. Among reported cases in 2019, 132,961 (50 percent) bacteriologically confirmed pulmonary cases were detected, 195,331 pulmonary cases were clinically diagnosed and 62,377 (19 percent) new extra-pulmonary cases were reported. Although TB mortality has declined from 54,000 deaths in 2017 to 44,000 deaths in 2019, 242,000 cases were neither diagnosed nor reported.

The goals of the proposed Pakistan TB program include to:

- Reduce TB incidence from 263 per 100,000 population in 2019 to 257 per 100,000 population in 2023;
- Reduce TB mortality from 19 per 100,000 population in 2019 to 14 per 100,000 population in 2023;
- Increase treatment coverage from 57 percent in 2019 to 76 percent in 2023;
- Increase multi-drug resistant TB notification from 11 percent in 2019 to 30 percent in 2023; and
- Improve multi-drug resistant TB treatment success from 64 percent in 2019 to 75 percent in 2023.

1.8 Risks and mitigation measures

Audit and findings by the Office of the Investigator General (OIG). An investigation by the OIG into the Pakistan TB program found that The Indus Hospital, a former Principal Recipient of a Global Fund TB grant, engaged in anti-competitive and collusive practices, amidst failures to properly manage conflicts of interest. In addition to working on addressing the Agreed Management Actions arising from the investigation report, the Secretariat has worked with in-country stakeholders, partners and the internal Portfolio Performance Committee to establish the proposed implementation arrangements under the Principal Recipients, Mercy Corps and the National TB Control Programme Pakistan, and manage the transition from the former Principal Recipient.

Recoveries. Pakistan has an outstanding recoverable amount of US\$703,994 which is owed by the National TB Control Programme Pakistan. The Grant Confirmation includes a requirement requiring the repayment of these outstanding recoveries by 30 November 2021.

COVID-19. Pakistan has so far seen a relatively mild epidemic compared to its neighbors. There has been a 20 percent reduction of TB notifications since 2019, although treatment continuity and success has not been significantly impacted. In 2020, to mitigate the impact of the pandemic on the three diseases and support health and community systems, the Global Fund approved US\$8,342,808 through the Global Fund COVID-19 Response Mechanism to finance procurement of personal protective equipment. Additional efficiencies through grant flexibilities for the 2017-2019 allocation period grants were channeled toward diagnostic cartridges and communication materials for COVID-19.

1.9 GAC review and recommendation

- Pakistan was designated US\$6,000,000 in matching funds for the 'Finding Missing People with TB' priority area. The GAC noted that Pakistan met the conditions to access this funding and noted the funds have been integrated into the Mercy Corps grant.
- GAC Partners commended the extensive consultation and engagement with national programs, key strategic partners, relevant provinces and civil society organizations in Pakistan, as well as the positive alignment between the Principal Recipients of the two proposed TB grants. Specifically, they welcomed the inclusion of an indicator among work-plan tracking measures in the performance framework to monitor the coordination among stakeholders.

- GAC Partners highlighted Pakistan as a highly critical portfolio and stressed the need for the program to succeed, building on support from across the partnership.
- GAC Partners noted with concern the significant drop in TB case notification and pointed out that the goal of the program should not only be to achieve targets, but also to ensure recovery from the drop in TB case notifications.
- While acknowledging the progress in strengthening governance, GAC Partners noted that significant work and continued monitoring is still required in this area to ensure strong oversight in a challenging environment. The Secretariat outlined the ongoing work of the CCM Evolution Initiative to build the capacity of the CCM and recruit a coordinator to facilitate oversight of the programs. In addition, the Secretariat reiterated the challenges posed by the country context and thanked Partners for their much needed, active involvement.
- GAC Partners asked whether there was a working group to monitor progress in TB and HIV prevention and treatment programming. The Secretariat clarified that there are currently separate technical working groups for HIV and TB that are functional and provide support to these programs. However, there is no specific high-level working group to actively monitor progress in HIV and TB prevention and treatment programming, or action to tackle stigma and discrimination. GAC endorsed the recommendation for the Secretariat to work with Partners, CCM and implementers to set up a monitoring group to oversee the performance and governance of the HIV and TB grants during grant implementation.
- GAC Partners stressed the high risk posed by the Planning Commission-1 project-based budget and flagged that the realization of this budget has historically posed challenges in Pakistan, including falling substantially short. The GAC shared Partners' concerns and reinforced Secretariat plans to embed the TB program budget into the recurring budget in each province and mitigate the observed risk at the federal level. The GAC also acknowledged that Pakistan's significant macroeconomic and fiscal constraints further exacerbate risks to meeting co-financing commitments. In addition to continuing its engagement with the government and partners at the national and provincial levels on co-financing, the Secretariat will require reporting annual budgets and expenditures of the TB Program during the Implementation Period, to ensure focus and prioritization of the TB Program in the budgeting process.
- GAC Partners recommended closely monitoring the transfer of former patients from The Indus Hospital to ensure treatment continuity.
- Finally, GAC Partners welcomed an increase in private sector engagement in the country and noted that Pakistan is included among the Global Fund's Strategic Initiatives portfolios.

Russian Federation HIV: St. Petersburg charitable fund programs "Humanitarian action" (RUS-H-HAF)

The last Global Fund grant to the Russian Federation was in the 2014-2016 allocation period. The Russian Federation became newly eligible for funding under the 2020-2022 allocation period after being determined to have met the requirements under paragraph 9b of the Eligibility Policy.⁵ In the Russian Federation, HIV prevalence continues to grow among both the general population and key populations. The cumulative registered cases of people living with HIV increased from 1,329,331 in 2018 to 1,423,999 in 2019, representing an increase of more than 7 percent. The HIV epidemic is concentrated among key and vulnerable population groups with strong variance in prevalence among these groups. According to the most recent seroprevalence survey for key populations conducted in 2017, 48.3 percent of people who inject drugs, 7.1 percent of men who have sex with men and 2.3 percent of sex workers are living with HIV. Unfortunately, data on transgender people is not available from the survey, which speaks to an overall lack of data for this group. Availability and accessibility of HIV services are limited, and sustainability remains a major challenge. The goal of the Russian

⁵ Under Paragraph 9b of the Eligibility Policy, upper-middle income countries with high disease burden (as defined by the policy) who are not on the OECD DAC List of ODA Recipients may be eligible for an allocation for HIV for non-governmental or civil society organizations only if they have demonstrated barriers to providing funding for interventions for key populations, as supported by the country's epidemiology. In 2020, the Secretariat conducted an assessment and determined that the Russian Federation met the requirements under policy and as such was determined to be eligible for an allocation for the 2020-2022 allocation period.

Federation HIV program is to reduce HIV transmission and mitigate its impact on society by strengthening comprehensive responses to HIV, with a focus on key populations.

1.10 Risks and mitigation measures

Co-financing. Co-financing requirements are not applicable to the Russian Federation, as they applied as a non-CCM applicant, in line with the requirements stipulated under the Eligibility Policy.⁶

Investment strategy. The proposed grant under the 2020-2022 allocation period builds on learnings from the previous grant to the Russian Federation under the 2014-2016 allocation period, including a reduced number of regions from 13 to 3 to employ more focused interventions and lower management costs.

COVID-19. COVID-19 has disrupted HIV prevention in services with many state centers for HIV repurposed to work with COVID-19 and reduced capacity of a high burden on state laboratories testing diseases beyond COVID-19, including HIV, due to the volume of testing required for COVID-19. The Russian Federation has received an allocation for funding from the Global Fund's COVID-19 Response Mechanism and plans to submit their funding request in July 2021.

1.11 GAC review and recommendation

- GAC Partners commended the clear and articulate proposal and expressed support for the activities laid out under the grant.
- GAC Partners recognized key external governance risks around oversight given the lack of a CCM, as well as the designated foreign agent status of the Principal Recipient, which may require additional reporting to the government and adjustments in case of the introduction of new policies to regulate funding. Despite being a non-CCM applicant, the Russian Federation has an established, strong coordination committee. Further, technical assistance was being sought and made available under the Global Fund's Community, Rights and Gender Strategic Initiative to support assessing and mitigating risks associated with the designation of the Principal Recipient as a foreign agent, and to support the development of a risk mitigation strategy.
- In light of concerns around the government's commitment to programs and a complex financial landscape, including a lack of other external donors, GAC Partners noted with concern the risk of not having a transition plan in the event the commitment is not met.
- The GAC and Partners voiced the need for realistic expectations about what can be achieved through the grant, recognizing the significant challenges and risks posed by a complex political climate. The GAC also expressed strong concern around capacity to achieve impact or gain leverage, and the resulting breadth of risk posed by such an environment, noting that the Global Fund has limited leverage to maximize impact given the political climate and the country's economic capacity.

Sudan Malaria: Ministry of Health (SDN-M-MOH)

Malaria is one of the leading causes of morbidity and mortality in Sudan with the entire population considered at risk, and 87 percent of the population classified as high risk in 2020. In 2018, there were an estimated 1,954,302 cases and 5,003 deaths from malaria. According to data from the Sudan National Malaria Strategic Plan for 2021 to 2025, malaria incidence increased per 1,000 population from 14.2 in 2016 to 38.4 in 2018, while mortality increased per 100,000 population from 1.8 in 2016 to 7.5 in 2018. Prevalence among

⁶ Funding requests by applicants who are eligible under Paragraph 9b of the Eligibility Policy must be submitted directly by a non-CCM applicant or other multi-stakeholder coordinating body and the government may not directly receive funding.

populations in refugee and internally displaced persons' camps was three times higher than among urban populations and double that among rural populations.

The goals and objectives of the Sudan malaria program include to:

- Reduce malaria morbidity and mortality by 30 percent by 2025 (using 2018 as a base line) and accelerate efforts towards malaria elimination;
- Ensure universal coverage of the population with integrated vector management and to maximize long-lasting insecticidal nets utilization from 53 percent to 85 percent by 2025;
- Ensure universal access of malaria patients to quality malaria case management and to encourage seeking treatment within 24 hours of fever onset; and
- Provide timely and reliable information to monitor the progress, trends in malaria cases and deaths and to detect and contain epidemics early.

1.12 Risks and mitigation measures

Recoveries: Sudan has an outstanding recoverable amount of US\$518,064 for which the country has signed a repayment protocol following a high-level meeting with the Ministry of Health in May 2021. The Grant Confirmation includes a requirement acknowledging the repayment of the outstanding recoveries by 31 December 2021.

Co-financing. Sudan is a Challenging Operating Environment that falls under the Global Fund's Additional Safeguards Policy. As a result, Sudan has received a partial waiver of its co-financing requirements for the 2020-2022 allocation period.

Hybrid implementation arrangement. The Government of Sudan has demonstrated some resistance to operationalizing the "hybrid/support services" malaria implementation arrangement recommended and approved by the Secretariat's Portfolio Performance Committee, which includes support for capacity building and fiscal oversight. The Secretariat will continue to engage with Federal Ministry of Health senior leadership, while risk mitigation activities are to be carried out by the Fiscal Agent (already in place) and capacity-building is to be managed by an international service provider. The Grant Confirmation includes a requirement pertaining to the operationalization of the hybrid implementation arrangement.

COVID-19. Sudan developed contingency plans early in the COVID-19 pandemic to ensure minimized service interruption, and the National COVID-19 Response Plan aligns with WHO guidance. In 2020, to mitigate the impact of the pandemic on the three diseases and support health and community systems, the Global Fund approved US\$1,624,900 through grant flexibilities and US\$8,719,675 million through the Global Fund COVID-19 Response Mechanism to finance the procurement of personal protective equipment, laboratory consumables for GeneXpert and polymerase chain reaction machines, antigen rapid diagnostic tests, biosafety cabinets and autoclaves.

1.13 GAC review and recommendation

- The GAC and Partners noted the substantial financial gaps for indoor residual spraying in years two and three of grant implementation in 2022 and 2023 for two states supported by the Global Fund. The GAC emphasized the need for Partner support to mobilize resources to continue indoor residual spraying. As a risk mitigation measure, however, the GAC noted that all efficiencies identified during the ongoing grant extension period will be channeled to procuring ITNs. These will be distributed under the ITN campaign in 2022 to ensure continuous vector control for the population previously covered by indoor residual spraying as well as support a contingency plan and additional artemisinin-based combination therapy and rapid diagnostic test procurement to address any upsurge. The ITN campaign will be the first consolidated

campaign for Sudan covering all targeted states at once, which will improve efficiency so efforts can focus on increasing coverage and usage. The GAC also emphasized the need to ensure Partner and government support to secure additional resources to compensate for the financial and programmatic limitations in the design of the program, which are not limited to indoor residual spraying.

- GAC Partners acknowledged the complex funding landscape in Sudan and agreed on the vital need for increased partnership in order to mobilize additional resources, while also highlighting the ongoing difficulties posed by the fragile country context and state of economic emergency due to precipitous currency devaluation and resulting hyperinflation.
- GAC Partners also noted with concern the challenges posed by the COVID-19 pandemic and the need to mitigate its impact on an already stretched malaria program. The GAC shared the Partners' concerns and outlined the opportunity for the key interventions to mitigate the impact of COVID-19 on the mass campaign to be addressed through the Global Fund's COVID-19 Response Mechanism in line with the Secretariat's guidance. The Secretariat also noted the ongoing work to try to leverage investments from the private sector to support needs in both programs.

Privileges and Immunities

- 1.14 None of the applicants for which funding recommendations are currently being made has signed and ratified the Global Fund Agreement on Privileges and Immunities.

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